

Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 /105 W

----- 018999

R 012238Z JUL 75

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 5884

INFO AMCONSUL HONG KONG

AMEMBASSY SEOUL

UNCLAS SECTION 1 OF 2 TAIPEI 3920

E.O. 11652: N/A

TAGS: ECON, TW

SUBJECT: KEY ROC ECONOMIC INDICATORS FOR MAY 1975

REF: A) STATE 270550 AND B) TAIPEI 3056

1. BELOW ARE KEY ROC ECONOMIC INDICATORS FOR MAY, 1975.
FOR EACH ITEM CURRENT MONTH FIGURE IS GIVEN FIRST (A),
THEN, AS APPROPRIATE, PREVIOUS MONTH (B), CURRENT MONTH
PREVIOUS YEAR (C), PERCENT CHANGE CURRENT OVER PREVIOUS
MONTH (D), PERCENT CHANGE CURRENT MONTH OVER SAME MONTH
PREVIOUS YEAR (E), CUMULATIVE FIGURE CURRENT YEAR (F),
CUMULATIVE FIGURE PREVIOUS YEAR (G), AND PERCENT CHANGE
CUMULATIVE CURRENT YEAR OVER PREVIOUS YEAR (H), FIGURES
REVISED SINCE PREVIOUS REPORT UNDERLINED. ALL VALUES
IN US DOLLARS AND ROUNDED.

MONEY SUPPLY: (A) \$2,443 MILLION, (B) \$2,325 MILLION, (C)
\$2,006 MILLION, (D) 5.06 PERCENT, (E) 21.8 PERCENT.

NET FOREIGN ASSETS OF BANKING SYSTEM: (A) \$1,932 MILLION,
(B) \$1,923 MILLION, (C) \$1,606 MILLION, (D) 0.45 PERCENT,
(E) 20.33 PERCENT.

IMPORTS ON CUSTOMS BASIS: (A) \$408.4 MILLION, (B) \$472.1
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MILLION, (C) \$623.0 MILLION, (D) -13.49 PERCENT, (3) -34.45
PERCENT, (F) \$2,250.8 MILLION, (G) \$2,678.2 MILLION, (H)
-15.96 PERCENT.

EXPORTS ON CUSTOMS BASIS: (A) \$426.5 MILLION, (B) 375.9

MILLION, (C) \$445.8 MILLION, (D) 13.46 PERCENT, (E) -4.33 PERCENT, (F) \$1,987.5 MILLION, (G) \$2,349.9 MILLION, (H) -15.42 PERCENT.
TRADE BALANCE: (A) \$18.1 MILLION, (B) -\$96.2 MILLION, (C) -\$177.2 MILLION, (F) -\$263.3 MILLION, (G) -\$328.3 MILLION.
IMPORTS ON FOREIGN EXCHANGE SETTLEMENT BASIS: (A) \$449.0 MILLION, (B) \$462.4 MILLION, (C) \$529.7 MILLION, (D) -2.90 PERCENT, (E) -15.24 PERCENT (F) \$1,948.8 MILLION, (G) \$3,069.8 MILLION, (H) -36.52 PERCENT.
EXPORTS ON FOREIGN EXCHANGE SETTLEMENT BASIS: (A) \$493.7 MILLION, (B) \$466.5 MILLION, (C) \$522.6 MILLION, (D) 5.83 PERCENT, (E) -5.53 PERCENT, (F) \$2,223.8 MILLION, (G) \$2,393.4 MILLION, (H) -7.09 PERCENT.
TRADE BALANCE ON FOREIGN EXCHANGE SETTLEMENT BASIS: (A) \$44.7 MILLION, (B) \$4.1 MILLION, (C) -\$7.1 MILLION, (F) \$275.0 MILLION, (G) -\$676.4 MILLION.
IMPORTS FROM US (CUSTOMS): (F) \$680.2 MILLION, (G) \$679.1 MILLION, (H) 0.2 PERCENT.
EXPORTS TO US (CUSTOMS): (F) \$641.2 MILLION, (G) 809.5 MILLION, (H) -20.8 PERCENT.
TRADE BALANCE: (F) -\$39.0 MILLION, (G) \$130.4 MILLION.
INDUSTRIAL PRODUCTION INDEX (1971 EQUAL 100): (A) 152.3, (B) 143.4, (C) 152.4, (D) 6.21 PERCENT, (E) -0.07 PERCENT, (F) 136.3, (G) 149.8, (H) -9.01 PERCENT.
WHOLESALE PRICE INDEX (1971 EQUAL 100): (A) 170.3, (B) 170.02, (C) 182.90, (D) 0.16 PERCENT (E) -6.89 PERCENT, (F) 170.34, (G) 185.89, (H) -8.37 PERCENT.
URBAN CONSUMER PRICE INDEX: (1971 EQUAL 100): (A) 170.51, (B) 170.43, (C) 162.20, (D) 0.05 PERCENT, (E) 5.12 PERCENT, (F) 170.28, (G) 158.75, (H) 7.26 PERCENT.
FOREIGN INVESTMENT APPROVAL VALUE: (A) \$4,826,000, (B) \$7,496,000, (C) \$11,203,000, (D) -35.62 PERCENT, (E) -56.92 PERCENT, (F) \$32,379,000, (G) \$74,409,000, (H) -56.48 PERCENT.
US INVESTMENT APPROVALS, (F) \$10,886,000, (G) \$9,185,000 (REVISED FROM JAN.-APRMJUR OF \$12,366,000), (H) 18.5 PERCENT;
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DATA LIMITED TO INVESTMENTS BY US NATIONALS AND FIRMS INCORPORATED IN THE US AND EXCLUDING INVESTMENTS BY US CONTROLLED FIRMS INCORPORATED IN THIRD COUNTRIES.

2. KEY PRODUCTION FIGURES FOR MAY, 1975:

POWER GENERATION (MILLION KILO WATTS): (A) 1,894.3, (B) 1,752.6, (C) 1,779.7, (D) 8.09 PERCENT, (E) 6.44 PERCENT (F) 8,449.4, (G) 8,104.2, (H) 4.26 PERCENT.
YARN (1,000 BALES): (A) 117.0, (B) 115.1, (C) 114.3, (D) 1.65 PERCENT, (E) 2.36 PERCENT, (F) 518.0, (G) 546.9, (H) -5.28 PERCENT.
MAN-MADE FIBER (METRIC TON): (A) 32,000, (B) 28,761, (C) 22,188, (D) 11.26 PERCENT, (E) 44.22 PERCENT, (F) 128,053,

(G) 111,013, (H) 15.35 PERCENT.

PLASTIC POWDER (METRIC TON): (A) 10,290, (B) 12,047, (C) 9,092, (D) -14.58 PERCENT, (E) 13.18, (F) 46,857, (H) 63,476, (H) -26.18 PERCENT.

FERTILIZER (1,000 M/T): (A) 115.0, (B) 103.9, (C) 90.0, (D) 10.68 PERCENT, (E) 27.78 PERCENT, (F) 527.2, (G) 451.5, (H) 16.77 PERCENT.

OIL REFINING (1,000 KILO LITER): (A) 739.5, (B) 704.6, (C) 896.7, (D) 4.95 PERCENT, (E) -17.53 PERCENT, (F) 3,505.9, (G) 4,074.0, (H) -13.94 PERCENT.

CEMENT (1,000 M/T): (A) 539.0, (B) 518.3, (C) 542.8,

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INFO OCT-01 ISO-00 FEA-01 AGR-10 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

TAR-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 /105 W
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(D) 3.99 PERCENT, (E) -0.70 PERCENT, (F) 2,704.6, (G) 2,531.7, (H) 6.83 PERCENT.

STEEL MILL PRODUCTS (1,000 M/T): (A) 88.0, (B) 75.8, (C) 92.3, (D) 16.09 PERCENT, (E) -4.66 PERCENT, (F) 368.6, (G) 470.1, (H) -21.59 PERCENT.

TELEVISION (1,000 PIECES): (A) 245.0, (B) 266.9, (C) 372.5, (D) 7.98, (E) -34.23 PERCENT, (F) 1,103.9, (G) 1,640.8, (H) -32.72 PERCENT.

AUTOMOBILE TIRES (1,000 PIECES): (A) 68, (B) 66, (C) 73, (D) 3.03 PERCENT, (E) -6.85 PERCENT, (F) 281, (G) 378, (H) -25.66 PERCENT.

COAL (1,000 M/T): (A) 270.0, (B) 270.7, (C) 262.3, (D) -0.26 PERCENT, (E) 2.94 PERCENT, (F) 1,256.8, (G) 1,204.3, (H) 4.36 PERCENT.

3. COMMENTARY: DRASTIC GROWTH IN MONEY SUPPLY CONTINUED
IN MAY , REGISTERING 5.1 PERCENT AFTER 3.3 PERCENT IN APRIL

OR REPRESENTING ANNUAL GROWTH 21.8 PERCENT OVER MAY 1974. ECONOMIC PLANNING COUNCIL ATTRIBUTED THIS TO PEOPLE'S EXPECTATION OF RENEWED GROWTH THEREBY DEMANDING GREATER LIQUIDITY PRECEDING ECONOMIC UPTURN. EPC WANTED, HOWEVER, THIS WOULD IMPOSE A VERY SERIOUS INFLATIONARY THREAT IF ENSUING PRODUCTION INCREASE DOES UNCLASSIFIED

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NOT KEEP SAME PACE. CENTRAL BANK DATA (CERP PUBLICATION 025) SHOWED PRINCIPAL CAUSE OF MONEY SUPPLY INCREASE IN MAY WAS NT\$7.6 BILLION LENDINGS TO PRIVATE SECTOR OFFSET ONLY BY NT\$3.9 BILLION QUASI-MONEY (MOSTLY TIME & SAVINGS DEPOSITS). EMBASSY SPECULATES LIQUIDITY PREFERENCE WAS PARTLY RESULT OF (A) BUOYANT STOCK MARKET (AVERAGE STOCK PRICE INDEX IN MAY 1975 WENT UP TO 316.5 FROM 202.8 IN DECEMBER 1974, 1966 EQUAL 100, WHILE TOTAL VALUE OF STOCK TRANSACTIONS ROSE TO NT\$16.7 BILLION FROM NT\$3.0 BILLION IN THE SAME PERIOD), AND (B) OVER-INVESTMENT IN CONSTRUCTION - EXPENSIVE HIGH RISE AND POPULAR 4-STORIED APARTMENTS ARE MUSHROOMING IN LEADING CITIES. URBAN CONSUMER PRICES UP AN AVERAGE 7.3 PERCENT 1ST FIVE MONTHS 1975, OVER 1ST FIVE 1974. CAUSING CONCERN. PRUDENT MONETARY MANAGEMENT SEEMS REQUIRED TO AVOID ANOTHER ROUND OF INFLATION LIKE THAT REGISTERED IN 1973 WHEN MONEY SUPPLY ROSE BY 47 PERCENT AND PRICES, 23 PERCENT. TAIWAN'S ECONOMIC UPTURN AT LEAST IN SHORT TERM DEPENDS MORE ON FOREIGN ORDERS, AND OVERDOSE OF DOMESTIC STIMULUS COULD THROW ECONOMY OFF BALANCE. \$18.1 MILLION TRADE SURPLUS IN MAY BASED ON CUSTOMS DATA IS ENCOURAGING AND CONFIRMS EMBASSY'S PREDICATION THAT "PRESENT PACE OF ACCUMULATION OF TRADE DEFICIT IN THE CUSTOMS RECORDS IS EXPECTED TO DECLINE" (SEE REFERENCE B). ON THE OTHER HAND IMPORT EXCHANGE SETTLEMENTS OF \$449 MILLION IN MAY 1975 STILL SHOWED 15.3 PERCENT DECREASE FROM MAY 1974 OR DECREASE OF 35.8 PERCENT IN TERMS OF CONSTANT UNIT IMPORT VALUE. SINCE EXCHANGE SETTLEMENT RECORDS "LEAD" WHILE CUSTOMS RECORDS "FOLLOWS" (ALSO SEE REFERENCE B), THE ABOVE MAY BE RESULT OF ENTREPRENEURS' FEELING THAT FULL ECONOMIC REVIVAL NOT YET IN SIGHT, HENCE THEY ARE HESITANT TO PLACE LARGE ORDERS FOR STOCK REPLENISHMENT. PURPOSES. GROC FEELS SOME SATISFACTION THAT, ACCORDING TO ITS OWN CUSTOMS DATA, TRADE BALANCE WITH US NEAR EQUILIBRIUM, AND ACTUALLY IN DEFICIT FOR ROC BY \$39 MILLION FOR FIRST 5 MONTHS OF 1975 VERSUS \$130 MILLION SURPLUS IN SAME PERIOD 1974. 6.2 PERCENT INCREASE IN INDUSTRIAL PRODUCTION INDEX FOR MAY (152.3) HELPED PICKING UP PRODUCTION LEVEL TO THAT WHICH PREVAILED IN EARLY 1974. WHILE SOME INDUSTRIES SHOW CONSIDERABLE GROWTH OVER LAST YEAR TO DATE, E.G., MAN MADE FIBER AND FERTILIZER, MAJOR INDUSTRIES STILL LAGGING BEHIND PREVIOUS YEAR INCLUDE STEEL MILL PRODUCTS, TV SETS AND TIRES. UNCLASSIFIED

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Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
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Control Number: n/a
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Draft Date: 01 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Handling Restrictions: n/a
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Legacy Key: link1975/newtext/t197507103/baaaaduh.tel
Line Count: 220
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